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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Elegance Optical International Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other registered dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED

高雅光學國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 907)

**PROPOSALS INVOLVING
RENEWAL OF GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Elegance Optical International Holdings Limited to be held at 11:00 a.m. on 28 September 2018 at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong is set out on pages 28 to 32 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

Whether or not you are able to attend the annual general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's principal place of business at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof, should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Adoption Date”	the date on which the Share Option Scheme is conditionally adopted by an ordinary resolution of the Shareholders;
“Annual General Meeting”	the annual general meeting of the Company to be held at 11:00 a.m. on 28 September 2018 at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, notice of which is set out on pages 28 to 32 of this circular;
“Board”	the board of Directors;
“Bye-law(s)”	the bye-law(s) of the Company;
“close associate(s)”	has the meaning ascribed thereto in the Listing Rules;
“Company”	Elegance Optical International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“core connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Eligible Participant(s)”	Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group;
“Grantee”	any Eligible Participant who accepts an offer of a grant of an Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares as set out in the notice convening the Annual General Meeting;
“Latest Practicable Date”	23 August 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the Share Option Scheme and for the time being subsisting;
“Previous Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders on 16 May 2003 and expired on 15 May 2013;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares as set out in the notice convening the Annual General Meeting;
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of Share(s);
“Share Option Scheme”	the share option scheme to be approved and adopted by an ordinary resolution of the Shareholders at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III;

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs approved by the Hong Kong Securities and Future Commission as amended from time to time;
“%”	per cent.



ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED

高雅光學國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 907)

Executive Directors:

Ms. Wong Chi Yan
Ms. Liu Shufeng
Mr. Liu Longkin
Mr. Wong Hoi Ping

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-Executive Directors:

Mr. Wang Jijun
Mr. Wong Hoi Fung

*Head Office and Principal Place
of Business in Hong Kong:*

26/F, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Independent Non-Executive Directors:

Mr. Chan Ming Kei
Mr. Wan Kin Man, Tony
Mr. Chen Youchun

27 August 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
RENEWAL OF GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the Annual General Meeting for (i) the renewal of the Issue Mandate and the Repurchase Mandate; (ii) the re-election of retiring Directors; and (iii) the adoption of the Share Option Scheme. The purpose of this circular is to provide you with details of these proposals, the relevant information required under the Listing Rules, and to give you notice of the Annual General Meeting.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

The Directors will propose ordinary resolutions at the Annual General Meeting to grant to the Directors:

- (i) the Issue Mandate to allot, issue and otherwise deal with new Shares of not exceeding 20% of the total number of issued Shares as at the date of the Annual General Meeting and, subject to the Repurchase Mandate mentioned below approved by the Shareholders at the Annual General Meeting, to add to such mandate any Shares repurchased by the Company pursuant to the Repurchase Mandate by a separate resolution; and
- (ii) the Repurchase Mandate to repurchase Shares of not exceeding 10% of the total number of issued Shares as at the date of passing the proposed resolution at the Annual General Meeting.

As at the Latest Practicable Date, a total of 404,369,123 Shares were in issue. Subject to the passing of the ordinary resolutions approving the Issue Mandate to issue Shares and assuming that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Issue Mandate to issue a maximum of 80,873,824 Shares (representing 20% of the total number of issued Shares as at the Latest Practicable Date).

The Issue Mandate and the Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in the relevant resolutions granting such mandates as set out in the notice of the Annual General Meeting.

An explanatory statement, as required by the Listing Rules, to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the Repurchase Mandate is set out in Appendix I to this circular.

3. RE-ELECTION OF RETIRING DIRECTORS

In relation to item 3 set out in the notice of the Annual General Meeting, Ms. Wong Chi Yan, Mr. Chan Ming Kei and Mr. Wan Kin Man, Tony shall retire by rotation as Directors at the Annual General Meeting in accordance with bye-law 110 (A) of the Bye-laws. In accordance with bye-law 101 of the Bye-laws, Mr. Liu Longkin, Mr. Wong Hoi Ping, Mr. Wong Hoi Fung and Mr. Wang Jijun shall retire from office at the Annual General Meeting.

All the retiring Directors, being eligible, will offer themselves for re-election.

Particulars of the above Directors proposed for re-election at the Annual General Meeting, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this Circular.

LETTER FROM THE BOARD

4. ADOPTION OF SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 18 July 2018 in relation to the proposed adoption of the Share Option Scheme.

At the Annual General Meeting, an ordinary resolution will be proposed to the Shareholders to approve the adoption of the Share Option Scheme pursuant to which Options may be granted to the Eligible Participants to subscribe for Shares upon and subject to the terms and conditions of the rules of the Share Option Scheme.

As at the Latest Practicable Date, the Company does not have any existing share option scheme. The Previous Share Option Scheme of the Company was adopted by the Shareholders on 16 May 2003 and has expired on 15 May 2013. As at the Latest Practicable Date, no options were granted and remained outstanding under the Previous Share Option Scheme and there were no outstanding warrants or convertible securities of the Company which entitle the holders thereof to convert into or subscribe any Shares.

Reasons for adoption the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Company to grant Options to Eligible Participants as incentive or reward for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

The Board considers that the Share Option Scheme will motivate more persons to make contribution to the Group and facilitate the retention and the recruitment of high-calibre staff of the Group. The Board believes that the inclusion of persons other than the Directors and employees of the Group as Eligible Participants is appropriate given that the success of the Group requires the co-operation and contribution not only from the Directors and employees of the Group but also from persons who play a role in the business of the Group, such as advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters and service providers of the Group. The eligibility of those parties other than the Directors and employees of the Group will be determined by the Board according to their potential and/or actual contribution to the business affairs and benefits of the Group. Furthermore, the Board considers that the Eligible Participants will share common interests and objectives with the Group upon their exercise of the Options, which is beneficial to the long-term development of the Group.

The terms of the Share Option Scheme provide that in granting Options under the Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also determine the subscription price in respect of any Option. The Board believes that the ability for the Board to prescribe at its discretion such terms of the Share Option Scheme will serve to protect the value of the Shares and encourage Eligible

LETTER FROM THE BOARD

Participants to acquire proprietary interests in the Company which will increase the value in line with the contribution by the Eligible Participants to the Company, so as to achieve the purpose of the Share Option Scheme.

Conditions of the Share Option Scheme

The adoption of the Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to approve and adopt the Share Option Scheme and to authorise the Board to grant Options at their absolute discretion thereunder and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Options that may be granted under the Share Option Scheme up to 10% of the Shares in issue as at the Adoption Date.

Maximum number of Shares subject to the Share Option Scheme

Subject to the approval of the Shareholders of the adoption of the Share Option Scheme and conditional upon the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares falling to be issued upon exercise of the Options, the Board will have the right to grant Options to Eligible Participants to subscribe for Shares such that the Scheme Mandate Limit shall not exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme by the Shareholders. As at the Latest Practicable Date, there were 404,369,123 Shares in issue. Assuming no Shares will be issued or repurchased from the Latest Practicable Date to the Adoption Date, subject to the Share Option Scheme becoming effective, the Company may grant Options under the Share Option Scheme in respect of which up to 40,436,912 Shares, representing 10% of the Shares in issue, may be issued.

None of the Directors shall be a trustee of the Share Option Scheme or has a direct or indirect interest in any such trustee.

Value of Options

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options which have not been determined. Such variables include the subscription price, option period, any lock-up period, any performance targets set and other relevant variables of Options granted.

LETTER FROM THE BOARD

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the Share Option Scheme.

Document available for inspection

A summary of the principal terms of the rules of the Share Option Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in Appendix III to this circular. A copy of the rules of the Share Option Scheme is available for inspection at the Company's head office and principal place of business in Hong Kong at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

5. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at 11:00 a.m. on 28 September 2018 at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong is set out on pages 28 to 32 of this circular. Ordinary resolutions to approve the Issue Mandate, the Repurchase Mandate, the re-election of retiring Directors and the adoption of the Share Option Scheme will be proposed at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is also enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's principal place of business at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof, should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The chairman of the Annual General Meeting will demand for poll to be taken on votes cast on the resolutions proposed at the Annual General Meeting pursuant to Rule 13.39(4) of the Listing Rules. An announcement on the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.elegance-group.com) respectively after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules. As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, none of the Shareholders are required to abstain from voting in the Annual General Meeting under the Listing Rules.

LETTER FROM THE BOARD

6. RECOMMENDATION

As at the Latest Practicable Date, the Company does not have any plan, intention, agreement or negotiation to (i) repurchase any Shares under the Repurchase Mandate; (ii) issue any Shares under the Issue Mandate; and (iii) grant any Options to any Eligible Participant under the Share Option Scheme.

The Directors consider that the renewal of the Issue Mandate, the Repurchase Mandate, the re-election of Directors and the adoption of the Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions as set out in the notice of the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement), Appendix II (Details of retiring Directors proposed for re-election) and Appendix III (Summary of Principal Terms of the Share Option Scheme) to this circular. The English text of this circular shall prevail over the Chinese text.

8. RESPONSIBILITY STATEMENTS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
Elegance Optical International Holdings Limited
Liu Shufeng
Executive Director

This is the explanatory statement required to be sent to the Shareholders under the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate to be proposed at the Annual General Meeting.

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 404,369,123 Shares in issue. Subject to the passing of the relevant ordinary resolution at the Annual General Meeting to approve the Repurchase Mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 40,436,912 Shares, representing 10% of the total number of issued Shares of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earning per Share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Any repurchase of Shares by the Company will be made out of the Company's funds which will otherwise be available for dividends or distributions, or proceeds of a new issue of Shares made for such purposes. In repurchasing Shares, the Company may only apply funds legally available for such purposes in accordance with the Bye-laws, the laws of Bermuda and other applicable laws. As compared with the position disclosed in the Company's most recently published audited financial statements as at 31 March 2018, and taking into the current working capital position of the Company, the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event the proposed repurchases under the Repurchase Mandate were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level.

4. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed Repurchase Mandate to repurchase Shares in accordance with the Listing Rules, the applicable laws of Bermuda and the Bye-laws.

5. EFFECT OF THE TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors are currently not aware of any consequences which will arise under the Takeover Code as a result of any purchase made under the Repurchase Mandate.

6. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, have any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No core connected persons of the Company have notified the Company that he or she has a present intention to sell the Shares to the Company or have undertaken not to sell any of the Shares held by him or her to the Company, in the event that the Company is authorised to make purchases of Shares.

7. SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any of its Shares (on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

8. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
August 2017	2.03	1.74
September 2017	2.48	1.68
October 2017	2.95	2.15
November 2017	2.72	2.03
December 2017	2.20	1.85
January 2018	2.14	1.75
February 2018	2.14	1.84
March 2018	2.01	1.75
April 2018	1.94	1.78
May 2018	1.95	1.80
June 2018	1.92	1.77
July 2018	1.92	1.72
August 2018 (up to the Latest Practicable Date)	1.85	1.09

The following are the details of the Directors due to retire and proposed to be re-elected at the Annual General Meeting:

EXECUTIVE DIRECTORS

Ms. WONG Chi Yan (“**Ms. Wong**”), aged 37, is currently an executive Director and an authorised representative of the Company. She was previously the company secretary of the Company from March 2017 to September 2017. She holds a Bachelor of Business Administration degree in Accounting awarded by Hong Kong Baptist University and a Master of Laws in International Corporate and Financial Law awarded by The University of Wolverhampton, the United Kingdom. She is an associate member of the Hong Kong Institute of Certified Public Accountants, and an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. She has extensive experiences in auditing, accounting and financing as well as merger and acquisition.

She is also an independent non-executive director of Tech Pro Technology Development Limited (stock code: 3823), Huiyin Holdings Group Limited (formerly known as Share Economy Group Limited) (stock code: 1178), Success Dragon International Holdings Limited (stock code: 1182), and the company secretary and authorised representative of Flyke International Holdings Ltd. (stock code: 1998) and China Properties Investment Holdings Limited (stock code: 736), all of which are companies listed on the Main Board of the Stock Exchange.

Ms. Wong was an executive director of CHERISH Holdings Limited (stock code: 2113) from 13 October 2017 to 14 June 2018, an executive director of China Taifeng Beddings Holdings Limited (stock code: 873) from July 2016 to August 2016, an independent non-executive director of Asia Television Holdings Limited (formerly known as CoProsperity Holdings Limited) (stock code: 707) from October 2015 to January 2016, the company secretary and authorised representative of Fullsun International Holdings Group Co., Limited (formerly known as U-RIGHT International Holdings Limited) (stock code: 627) from September 2013 to April 2016, an independent non-executive director of Ding He Mining Holdings Limited (stock code: 705) from January 2018 to July 2018, all of which are companies listed on the Main Board of the Stock Exchange. She was an executive director and authorised representative of Aurum Pacific (China) Group Limited (stock code: 8148) from May 2015 to October 2017, an executive director, company secretary and authorised representative of PPS International (Holdings) Limited (stock code: 8201) from June 2015 to July 2016, an independent non-executive director of China Brilliant Global Limited (formerly known as Prosten Health Holdings Limited) (stock code: 8026) from June 2015 to October 2015, all of which are companies listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange.

There is no service contract between Ms. Wong and the Company. Under the letter of appointment entered into between Ms. Wong and the Company, there was no fixed term of service but her employment may be terminated at any time on expiry of not less than one month's written notice given by any party. Her directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws. Ms. Wong is entitled to receive a remuneration of HK\$80,000 per month. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee of the Company and the Board. Her remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including her experience, her duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

Ms. Wong is a director of certain subsidiaries of the Group.

Mr. Liu Longkin (“Mr. Liu”), aged 23, graduated from Fordham University, the United States in 2018 with a bachelor of science in global business. Mr. Liu is the son of Ms. Sin Yuk Hung, a substantial shareholder of the Company.

Save as disclosed above, Mr. Liu has advised that he has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

The Company has not entered into any service contract with Mr. Liu. Under the letter of appointment entered into between Mr. Liu and the Company, there was no fixed term of service. His directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws of the Company.

Mr. Liu is entitled to receive a remuneration of HK\$80,000 per month. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee of the Company and the Board. His remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including his experience, his duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

Mr. Wong Hoi Ping (“Mr. HP Wong”), aged 40, holds a Bachelor of Economics from the University of British Columbia in Canada and a Master of Business Administration from Lawrence Technological University, the United States. He has extensive experiences, knowledge and connections in the operation, film plot, investment, production, promotion and release. He has acted as the chief executive officer of Filmko Films Production Limited, Filmko Films Distribution (Hong Kong) Limited and Filmko Pictures (Hong Kong) Co., Limited, an indirect wholly-owned subsidiary of the Company since 2010. He had also been the producer of films such as L-O-V-E (《愛到底》), MobSister (《阿嫂》), “Ocean Flame” (《一半海水一半火焰》), Getting Home (《落葉歸

根》) and Exodus (《出埃及記》) and the executive producer of The Monkey King (《西遊記之大鬧天宮》), The Monkey King 2 (《西遊記之孫悟空三打白骨精》) and The Monkey King 3 (《西遊記之女兒國》). Mr. HP Wong is the younger brother of Mr. HF Wong, a non-executive Director.

Save as disclosed above, Mr. HP Wong has advised that he has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

The Company has not entered into any service contract with Mr. HP Wong. Under the letter of appointment entered into between Mr. HP Wong and the Company, there was no fixed term of service. His directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws of the Company.

Mr. HP Wong is entitled to receive a remuneration of HK\$80,000 per month. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee of the Company and the Board. His remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including his experience, his duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

At as the Latest Practicable Date, Mr. HP Wong has interests in 1,102,000 shares of the Company which is required to be disclosed under Part XV of the SFO. Save as disclosed above, Mr. HP Wong does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

NON-EXECUTIVE DIRECTORS

Mr. WANG Jijun (“Mr. Wang”), aged 45, was appointed as a non-executive Director of the Company on 17 April 2018. He graduated from China University of Political Science and Law in 1994 with a bachelor of laws and obtained a master’s degree in laws from Tsinghua University in 2006. He has over 23 years of extensive legal experience in economic, financial, securities and civil and commercial law. From 1995 to 2017, he served as Judge, Chief Justice and Presiding Judge in the Supreme People’s Court in People’s Republic of China.

Save as disclosed above, Mr. Wang has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date and that he does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Wang has not previously held any position with any member of the Group and does not hold any other positions with the Company or other members of the Group. There is no service contract entered into between Mr. Wang and the Company. Under the letter of appointment entered into between Mr. Wang and the Company, there was no fixed term of service.

Mr. Wang is entitled to an annual director's fee of HK\$180,000. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee and the Board. His remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including his experience, duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

Mr. Wong Hoi Fung ("Mr. HF Wong"), aged 44, a famous veteran filmmaker, is the founder of Filmko Pictures Co., Limited, which was established in Hong Kong in 2000. He has more than 20 years of experience and achievements in the film and television entertainment industry. He has invested in nearly 50 films so far, many of which are popular and have been shortlisted and won many awards in major international film festivals and competitions. For example, *July Rhapsody* (《男人四十》) was selected as the festival screenings in the 52nd Berlin International Film Festival and was invited to show in more than 20 international film festivals; *Floating Landscape* (《戀之風景》) was shortlisted for the 60th Venice International Film Festival for competition, the 4th NHK Asian Film Festival and many other international film festivals; *The Butterfly* (《蝴蝶》) was invited as the opening film in the 61st The Venice International Film Critics' Week; *Going Home* (《落葉歸根》) won the Best Picture voted for the Audience and shortlisted for the Best Feature Film in the 44th Golden Horse Award. Since 2010, Mr. HF Wong has completed a series of movies titled *Journey to the West* (《西遊記》). Among them, *The Monkey King* (《西遊記之大鬧天宮》) topped the box office of the mainland China's 2014 Spring Festival movie with a box office of RMB 1.05 billion; *The Monkey King 2* (《西遊記之孫悟空三打白骨精》) had a box office of RMB1.2 billion on the mainland China and RMB 1.5 billion worldwide. *The Monkey King 2* not only broke daily box office record of IMAX release, but also won audience praise and high praise from *Hollywood Reporter* (《好萊塢報導》), *Screen Daily* (《銀幕日報》) and *Variety* (《綜藝》) and other top industry media in the world. *The Monkey King 3* (《西遊記之女兒國》) had a box office of RMB0.73 billion on the mainland China and about RMB1 billion worldwide. Mr. HF Wong is the older brother of Mr. HP Wong, an executive Director.

Save as disclosed above, Mr. HF Wong has advised that he has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date and that he does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between Mr. HF Wong and the Company. Under the letter of appointment entered into between Mr. HF Wong and the Company, there was no fixed term of service. His directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws of the Company.

Mr. HF Wong is entitled to an annual director's fee of HK\$180,000. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee. His remuneration package is determined by the Board with recommendation of the Remuneration

Committee after considering a range of factors including his experience, duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

As at the Latest Practicable Date, Mr. HF Wong has interests in 49,020,000 shares of the Company which are required to be disclosed under Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WAN Kin Man, Tony (“**Mr. Wan**”), aged 37, was appointed as an independent non-executive Director of the Company on 17 February 2017. He is a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales, a fellow of the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. He is also a practicing certified public accountant, certified tax adviser (Hong Kong) and has extensive experience in auditing, financial management and taxation over 15 years.

There is no service contract between Mr. Wan and the Company. Under the letter of appointment entered into between Mr. Wan and the Company, there was no fixed term of service but his employment may be terminated at any time on expiry of not less than one month’s written notice given by any party. His directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws. Mr. Wan is entitled to an annual director’s fee of HK\$120,000. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee of the Company and the Board. His remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including his experience, his duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

Mr. CHAN Ming Kei (“**Mr. Chan**”), aged 35, was appointed as an independent non-executive Director of the Company on 26 April 2017. He is a member of the Hong Kong Institute of Certified Public Accountants and has extensive experiences in accounting, financial management and company secretarial works. He holds a Bachelor of Business Administration (Hons) majoring in Accounting from The Hong Kong University of Science and Technology. Mr. Chan is the Company Secretary and authorised representative of Fullsun International Holdings Group Co., Limited (stock code: 627), a company listed on the Main Board of the Stock Exchange. He served as the company secretary and financial controller of Kuangchi Science Limited (stock code: 439), a company listed on the Main Board of the Stock Exchange from 7 June 2012 to 30 September 2015. He also acted as the chief financial officer, company secretary and authorised representative of Sino Haijing Holdings Limited (stock code: 1106), a company listed on the Main Board of the Stock Exchange from October 2015 to December 2015. He also acted as i) a joint company secretary from 8 September 2016 to 6 November 2016; and ii) an executive director, company secretary, compliance officer and authorised representative from 7 November 2016 to 14 January 2018 of Evershine Group Holdings Limited (stock code: 8022), a company listed on the GEM of the Stock Exchange.

There is no service contract between Mr. Chan and the Company. Under the letter of appointment entered into between Mr. Chan and the Company, there was no fixed term of service but his employment may be terminated at any time on expiry of not less than one month's written notice given by any party. His directorship in the Company is subject to retirement and re-election at general meetings of the Company in accordance with the Bye-laws. Mr. Chan is entitled to an annual director's fee of HK\$120,000. Other discretionary bonuses and benefits may be awarded subject to the approval of the Remuneration Committee of the Company and the Board. His remuneration package is determined by the Board with recommendation of the Remuneration Committee after considering a range of factors including his experience, his duties and responsibilities in the Group, the remuneration structure of the Group and levels of remuneration for peers in the market.

Save as disclosed above, as at the Latest Practicable Date, none of the above retiring Directors holds any other positions in the Group or holds any directorships in any listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the Latest Practicable Date, and nor are they related to any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company, or interested in any Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Saved as disclosed above, there are no other matters that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters relating to their re-elections that need to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the rules of the Share Option Scheme proposed to be adopted at the Annual General Meeting.

1. PURPOSE OF THE SCHEME

The purpose of the Share Option Scheme is to enable the Company to grant Options to Eligible Participants as incentive or reward for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants.

2. ELIGIBLE PARTICIPANTS OF THE SHARE OPTION SCHEME AND ELIGIBILITY CRITERIA

The Eligible Participants of the Share Option Scheme to whom Option(s) may be granted by the Board shall include Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group. The eligibility of those parties other than the Directors and employees of the Group will be determined by the Board according to their potential and/or actual contribution to the business affairs and benefits of the Group.

3. MAXIMUM NUMBER OF SHARES WHICH MAY BE ISSUED

- (a) The total number of Shares which may be issued upon exercise of all Options which may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed ten per cent. (10%) of the total number of Shares in issue as at the date on which this scheme was approved and adopted by the Shareholders, unless the Company obtains a refresh approval from the Shareholders pursuant to paragraph b below. Options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (b) The Company may seek approval of the Shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed ten per cent. (10%) of the Shares in issue at the date of the approval of the renewal by the Shareholders. Upon any such renewal, all options granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limited has been exceeded. In seeking the approval, the Company shall send a circular to the Shareholders.

- (c) The Company may grant Options to Eligible Participant(s) beyond the Scheme Mandate Limit if the grant of such Options is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the identified Eligible Participant(s), the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Participant(s), and how the terms of these Options serve such purpose.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed thirty per cent. (30%) of the total number of Shares in issue from time to time.

4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

- (a) The total number of Shares issued and to be issued upon exercise of the Options granted under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding Options) to each Eligible Participant in any 12-month period must not exceed 1 per cent of the then total issued share capital of the Company (the “Individual Limit”).
- (b) Any further grant of Options to an Eligible Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Eligible Participant and his close associates (or his/her associates if the Eligible Participant is a connected person) abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the identified Eligible Participant(s), the number and terms of the Options granted and to be granted, the number and terms of Options to be granted to such identified Eligible Participant(s) must be fixed before the Shareholders’ approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Each grant of Options to a Director, chief executive, management shareholder or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules) must comply with the requirements of the Listing Rules. Each grant of Options to any of these persons must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options).

- (b) Where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1 per cent of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000;

such further grant of Options must be approved by the Shareholders on a poll in a general meeting. All connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting subject to the requirements of the Listing Rules. A Shareholders' circular must be prepared by the Company explaining the proposed grant of Option, disclosing the number and terms of the Option (including the subscription price) proposed to be granted and the recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option) as to voting. Any change in the terms of the Options granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates must be approved by the Shareholders in general meeting.

6. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An offer of grant of an Option may be accepted by an Eligible Participant within 28 days from the date of the offer of grant of the Option. A consideration of HK\$1 is payable on acceptance of the offer of grant of an Option. To the extent that the offer of grant of an Option is not accepted within twenty-eight (28) days from the date on which the offer for the grant of Options is made in the manner indicated herein, it will be deemed to have been irrevocably declined and lapsed automatically.

An Option shall be exercisable in whole or in part and in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the day on which the offer for the grant of Options is made but shall end in any event not later than 10 years from the date the Board makes an offer of the grant of an Option subject to the provisions for early termination thereof. Directors have discretion to impose a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto on case by case basis.

Unless the Directors otherwise determined and stated in the offer of the grant of Options to an Eligible Participant, there is no minimum period for which an Option granted under the Share Option Scheme must be held before it can be exercised.

7. PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the offer of the grant of Options to an Eligible Participant, an Eligible Participant is not required to achieve any performance targets before any Options granted under the Share Option Scheme can be exercised. Directors have discretion to impose the performance targets restriction on case by case basis.

8. SUBSCRIPTION PRICE FOR SHARES

Subject to the adjustment made in accordance with the terms of the Share Option Scheme, the subscription price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of making the offer of grant of an option (which shall be stated in the letter containing the offer of grant of an option) but in any case the subscription price must be at least the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading day immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares. Without prejudice to the generality of the foregoing, the Directors may grant Options in respect of which the subscription price is fixed at different prices for different periods during the Option period provided that the subscription price for Shares for each of the different periods shall not be less than the subscription price determined in the manner set out herein.

9. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders of Options to participate in voting, transfer and other rights including those arising on liquidation of the Company, and all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of an Option pursuant to the Share Option Scheme, unless and until Shares are actually issued to the Grantee pursuant to the exercise of an Option. The Options do not carry any right to vote in general meeting of the Company, or the right to dividend and other rights, including those arising on a liquidation of the Company.

10. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

The Company may not grant any options after inside information has come to its knowledge until it has announced the information. In particular, no Eligible Participant shall be granted an Option during the period commencing one month immediately preceding the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. For the avoidance of doubt, the period in which no Options shall be granted mentioned above shall include any period of delay in the publications of a results announcement.

The Board may not grant any Option to an Eligible Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Listing Rules or the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

11. LIFE OF THE SHARE OPTION SCHEME

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but the provisions of the Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options granted prior thereto but not exercised before the termination of the Share Option Scheme will continue to be exercisable and valid. The terms and conditions of the Share Option Scheme including those governing the mode of exercise of an Option will continue in full force and effect with the exception that no further Option will be granted. Subject to the aforesaid, the Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the day on which the Share Option Scheme becomes effective, after which period no further Options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects.

12. RIGHTS ON CEASING EMPLOYMENT

If the Grantee of an Option is an Employee and ceases to be an Employee for any reason other than death or serious misconduct or other grounds referred to in sub-paragraph (o) below before exercising his Option in full, the Option (to the extent which has become exercisable and not

already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Option (to the extent which has become exercisable and not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

13. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT

If the Grantee of an Option, who is not an Employee, ceases to be an Eligible Participant by reason other than death, the grantee of an Option shall be entitled within a period of one (1) month from the date of cessation (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

14. RIGHTS ON DEATH

If the Grantee of an Option ceases to be an Eligible Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph (o) below arises prior to his or her death), the legal personal representative of this grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

15. RIGHTS ON DISMISSAL

If the Grantee of an Option is an Employee and ceases to be an Employee by reason that he has been guilty of misconduct or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Employee's service contract with the Company or the relevant subsidiary of the Group or the relevant Invested Entity, his or her Option will lapse automatically on the date the Grantee ceases to be an Employee.

16. RIGHTS ON BREACH OF CONTRACT

If the Directors at their absolute discretion determine that the Grantee of any Option (other than an Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding

Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

17. RIGHTS ON A GENERAL OFFER

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

18. RIGHTS ON WINDING UP

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the option period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two (2) business days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

19. RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS CREDITORS

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two (2) calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his or her

Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

20. EFFECT OF ALTERATIONS TO CAPITAL

In the event of any alterations in the capital structure of the Company whether by way of a capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of capital whilst any Option remains exercisable, such corresponding alterations (if any) certified by an independent financial advisor or the auditors of the Company for the time being as fair and reasonable and in accordance with the requirements of the Listing Rules shall be made in the number of Shares subject to the Option so far as unexercised; and/or the subscription price; provided that no alteration shall be made so that a Share would be issued at less than its nominal value or which would give a Grantee a different proportion of the issued share capital of the Company as that to which he was previously entitled.

21. CANCELLATION OF OPTIONS

Any cancellation of any Option (which has been granted but not yet exercised) shall be conditional on the approval by the Board and the option holder(s) concerned.

In the event that the Board elects to cancel Options and issues new Options to the same Option holder, the issue of such new Options shall be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit or the refreshed limit, as the case may be.

22. TERMINATION OF THE SHARE OPTION SCHEME

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but the provisions of the Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any Options granted prior thereto but not exercised before the termination of the Share Option Scheme will continue to be exercisable and valid. The terms and conditions of the Share Option Scheme including those governing the mode of exercise of an Option will continue in full force and effect with the exception that no further Option will be granted. Subject to the aforesaid, the Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the day on which the Share Option Scheme becomes effective, after which period no further Options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects.

23. RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option.

24. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the period referred to in paragraph 6 above;
- (b) unless the Board determines otherwise, the expiry of the period referred to in paragraph 12 above;
- (c) the expiry of the periods or dates referred to in paragraphs 13, 14, 15, 16 and 19 above;
- (d) subject to paragraph 18 above, the date of the commencement of the winding-up of the Company;
- (e) the date on which the offer (or, as the case may be, the revised offer) referred to in paragraph 17 above closes;
- (f) the date on which a breach of the provision of paragraph 23 above is committed.

25. ALTERATIONS TO THE SHARE OPTION SCHEME

The Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the Share Option Scheme relating to (i) any changes to the definitions of Eligible Participant and Grantee and option period; (ii) matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants; (iii) the terms and conditions of the Share Option Scheme which are of a material nature; or (iv) any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme (except where such alterations take effect automatically under the existing terms of the Share Option Scheme) shall not be made except with the prior sanction of a resolution by the Shareholders, provided that no such alterations shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such number of Grantees who shall together hold Options in respect of not less than three-fourths in nominal value of all Shares that to be issued on exercise of the Options granted under the Share Option Scheme.

The amended terms of the Share Option Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



ELEGANCE OPTICAL INTERNATIONAL HOLDINGS LIMITED

高雅光學國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 907)

NOTICE IS HEREBY GIVEN that the annual general meeting of Elegance Optical International Holdings Limited (the “**Company**”) will be held at 11:00 a.m. on 28 September 2018 at 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors of the Company for the year ended 31 March 2018.
2. To re-appoint Messrs. Ernst & Young as auditors and authorise the board of directors to fix their remuneration.
3. (A) To re-elect each of the retiring directors of the Company as follows by way of a separate resolution:
 - (i) To re-elect Ms. Wong Chi Yan as an executive director of the Company.
 - (ii) To re-elect Mr. Liu Longkin as an executive director of the Company.
 - (iii) To re-elect Mr. Wong Hoi Ping as an executive director of the Company.
 - (iv) To re-elect Mr. Wang Jijun as a non-executive director of the Company.
 - (v) To re-elect Mr. Wong Hoi Fung as a non-executive director of the Company.
 - (vi) To re-elect Mr. Wan Kin Man, Tony as an independent non-executive director of the Company.
 - (vii) To re-elect Mr. Chan Ming Kei as an independent non-executive director of the Company.
- (B) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS:

To consider and, if thought fit, pass, with or without amendments, the following resolutions, which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

4. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal in additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company or a specific authority granted or to be granted by the shareholders of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the close of business on the date on which this resolution is passed; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the applicable laws of Bermuda to be held; or

NOTICE OF ANNUAL GENERAL MEETING

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares or issue of options, warrants or other securities carrying rights to convert into or subscribe for shares of the Company open for a period fixed by the Directors to holders of shares in the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

5. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own issued shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure or authorise repurchases of shares of the Company by itself or agents or nominees on behalf of the Company or its subsidiary, as the case may be, at a price and on such terms as determined by the Directors and to make, grant or enter into offers, agreements and other arrangements which might require the exercise of such powers during or after the end of the Relevant Period, in all circumstances in accordance with the applicable laws and regulations in Hong Kong;
- (C) the total number of shares of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the total number of issued shares of the Company as at the time of passing this resolution; and

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(D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the applicable laws of Bermuda to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
6. “**THAT** conditional upon the passing of ordinary resolution nos. 4 and 5 set out above, the total number of shares of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution no. 5 shall be added to the total number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the said ordinary resolution no. 4.”
7. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of the Company which may fall to be allotted and issued pursuant to the exercise of options granted under the proposed share option scheme of the Company (the “**Share Option Scheme**”) (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for identification purpose), the rules of the Share Option Scheme be and are hereby approved and the directors of the Company be authorised to grant options and allot and issue shares of the Company pursuant to the Share Option Scheme, and that directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary and expedient in order to give effect to the Share Option Scheme.”

By Order of the Board
Elegance Optical International Holdings Limited
Liu Shufeng
Executive Director

Hong Kong, 27 August 2018

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares in the capital of the Company may appoint more than one proxy to represent him and vote on his behalf at a meeting of the Company. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing signed under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, shall be delivered to 26/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
4. The register of members of the Company will be closed from 24 September 2018 to 28 September 2018 (both days inclusive), for facilitating the processing of proxy voting at the annual general meeting, during which the registration of transfers of shares will be suspended. All transfers of shares, accompanied by the relevant share certificates, must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 21 September 2018 in order to be eligible to attend and vote at the annual general meeting of the Company.
5. Where there are joint holders of any share, any one of such joint holder may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of the bye-laws of the Company be deemed joint holders thereof.
6. A form of proxy for use at the meeting is enclosed with the circular of the Company issued on the same date hereof.
7. As at the date hereof, the executive Directors are Ms. Wong Chi Yan, Ms. Liu Shufeng, Mr. Liu Longkin and Mr. Wong Hoi Ping, the non-executive Directors are Mr. Wang Jijun and Mr. Wong Hoi Fung, the independent non-executive Directors are Mr. Chan Ming Kei, Mr. Wan Kin Man, Tony and Mr. Chen Youchun.